

ASSEMBLY BILL

No. 1750

**Introduced by Committee on Governmental Organization
(Jerome Horton (Chair), Plescia (Vice Chair), Aghazarian,
Bermudez, Calderon, Chavez, Coto, Garcia, La Suer, Levine,
Liu, Torrico, and Yee)**

March 9, 2005

An act to amend Sections 12012.90, 12712, and 12717 of the Government Code, relating to gaming.

LEGISLATIVE COUNSEL'S DIGEST

AB 1750, as introduced, Committee on Governmental Organization. Indian gaming.

(1) Existing law creates in the State Treasury the Indian Gaming Special Distribution Fund for the receipt and deposit of moneys received by the state from Indian tribes pursuant to the terms of tribal-state gaming compacts. Existing law authorizes moneys in that fund to be used by the Legislature for certain purposes, including for shortfalls in payments that occurred in the Indian Gaming Revenue Sharing Trust Fund. Existing law further requires the California Gambling Control Commission to determine the aggregate amount of shortfalls in payments in the Indian Gaming Revenue Sharing Trust Fund and provide to certain legislative committees an estimate of the amount needed to backfill that fund.

This bill would require the State Auditor to examine the accuracy and timeliness of payments from the Indian Gaming Special Distribution Fund to the Indian Gaming Revenue Sharing Trust Fund and report its findings to the Legislature and other appropriate entities, as specified.

(2) Existing law requires the State Auditor to conduct an audit every 3 years regarding the allocation and use of moneys from the

Indian Gaming Special Distribution Fund by the recipient of the grant moneys, and to report its findings to the Legislature and all other appropriate entities.

This bill would require the State Auditor to examine the accuracy and timeliness of payments from the Indian Gaming Special Distribution Fund from the Controller's office to county tribal casino accounts and individual tribal casino accounts. The bill would also require the State Auditor, in conducting its audit, to report on the beginning and ending balances of the Indian Gaming Special Distribution Fund for each fiscal year.

(3) Existing law provides that "Individual Tribal Casino Accounts" means an account for each individual tribal casino that has paid money into the Indian Gaming Special Distribution Fund.

This bill would clarify that the account is for each individual tribe that has paid money into the Indian Gaming Special Distribution Fund.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 12012.90 of the Government Code is
2 amended to read:
3 12012.90. (a) (1) For each fiscal year commencing with the
4 2002–03 fiscal year, the California Gambling Control
5 Commission shall determine the aggregate amount of shortfalls
6 in payments that occurred in the Indian Gaming Revenue Sharing
7 Trust Fund pursuant to Section 4.3.2.1 of the tribal-state gaming
8 compacts ratified and in effect as provided in subdivision (f) of
9 Section 19 of Article IV of the California Constitution as
10 determined below:
11 (A) For each eligible recipient Indian tribe that received
12 money for all four quarters of the fiscal year, the difference
13 between one million one hundred thousand dollars (\$1,100,000)
14 and the actual amount paid to each eligible recipient Indian tribe
15 during the fiscal year from the Indian Gaming Revenue Sharing
16 Trust Fund.
17 (B) For each eligible recipient Indian tribe that received
18 moneys for less than four quarters of the fiscal year, the
19 difference between two hundred seventy-five thousand dollars

(1) (\$275,000) for each quarter in the fiscal year that a recipient Indian tribe was eligible to receive moneys and the actual amount paid to each eligible recipient Indian tribe during the fiscal year from the Indian Gaming Revenue Sharing Trust Fund.

(2) For purposes of this section, “eligible recipient Indian tribe” means a noncompact tribe, as defined in Section 4.3.2(a)(i) of the tribal-state gaming compacts ratified and in effect as provided in subdivision (f) of Section 19 of Article IV of the California Constitution.

(b) The California Gambling Control Commission shall provide to the committee in the Senate and Assembly that considers the State Budget an estimate of the amount needed to backfill the Indian Gaming Revenue Sharing Trust Fund on or before the date of the May budget revision for each fiscal year.

(c) An eligible recipient Indian tribe may not receive an amount from the backfill appropriated following the estimate made pursuant to subdivision (b) that would give the eligible recipient Indian tribe an aggregate amount in excess of two hundred seventy-five thousand dollars (\$275,000) per eligible quarter. Any funds transferred from the Indian Gaming Special Distribution Fund to the Indian Gaming Revenue Sharing Trust Fund that result in a surplus shall revert back to the Indian Gaming Special Distribution Fund following the authorization of the final payment of the fiscal year.

(d) Upon a transfer of moneys from the Indian Gaming Special Distribution Fund to the Indian Gaming Revenue Sharing Trust Fund and appropriation from the trust fund, the California Gambling Control Commission shall distribute the moneys without delay to eligible recipient Indian tribes for each quarter that a tribe was eligible to receive a distribution during the fiscal year immediately preceding.

(e) The State Auditor shall examine the accuracy and timeliness of payments from the Indian Gaming Special Distribution Fund to the Indian Gaming Revenue Sharing Trust Fund. The State Auditor shall conduct this examination and report in conjunction with the audit required by Section 12717 and report its findings to the Legislature and to all other appropriate entities.

SEC. 2. Section 12712 of the Government Code is amended to read:

1 12712. As used in this chapter:

2 (a) “County Tribal Casino Account” means an account
3 consisting of all moneys paid by tribes of that county into the
4 Indian Gaming Special Distribution Fund after deduction of the
5 amounts appropriated pursuant to the priorities specified in
6 Section 12012.85.

7 (b) “Individual Tribal Casino Accounts” means an account for
8 each individual ~~tribal casino~~ *tribe* that has paid money into the
9 Indian Gaming Special Distribution Fund. The individual tribal
10 casino account shall be funded in proportion to the amount that
11 the individual tribe has paid into the Indian Gaming Special
12 Distribution Fund.

13 (c) “Local jurisdiction” means any city, county, or special
14 district.

15 SEC. 3. Section 12717 of the Government Code is amended
16 to read:

17 12717. (a) The State Auditor shall conduct an audit every
18 three years regarding the allocation and use of moneys from the
19 Indian Gaming Special Distribution Fund by the recipient of the
20 grant moneys. The State Auditor shall report its findings to the
21 Legislature and to all other appropriate entities.

22 (b) *The State Auditor shall examine the accuracy and*
23 *timeliness of payments from the Indian Gaming Special*
24 *Distribution Fund from the Controller’s office to county tribal*
25 *casino accounts and individual tribal casino accounts.*

26 (c) *In conducting an audit pursuant to subdivision (a), the*
27 *State Auditor shall also report on the beginning and ending*
28 *balances of the Indian Gaming Special Distribution Fund for*
29 *each fiscal year.*